

Measure M Citizens Oversight Committee

**December 12, 2006
Meeting Minutes**

Committee Members Present:

David Sundstrom, County Auditor-Controller, Chairman
Ed Wylie, First District Representative, Co-Chairman
Brooks Corbin, Second District Representative
Gilbert Ishizu, Second District Representative
Frederick von Coelin, Fourth District Representative
James Kelly, Fifth District Representative
Gene Rodriguez, Fifth District Representative

Committee Members Absent:

Merlin Henry, Third District Representative
Greg Moore, Third District Representative

Orange County Transportation Authority Staff Present:

Monte Ward
Ken Phipps
Kirk Avila
Kathleen O'Connell
Alice Rogan
Sarah Swensson
Teri Lepe

Members of the Public

None

1. Welcome by Chairman Sundstrom

Chairman David Sundstrom called the meeting to order at 6:15 pm.

2. Pledge of Allegiance

The Pledge of Allegiance was not performed at this meeting due to lack of an American flag in the meeting room.

3. Approval of Minutes/Attendance Report for October 10, 2006

David Sundstrom stated there were two absences at the October 10, 2006, meeting that were pending approval; Merlin Henry, due to a conflict with meeting schedules, and Brooks Corbin due to illness. A motion was made and approved with acceptance of absences for Merlin Henry and Brooks Corbin for the October 10, 2006, meeting. Motion was also made for approval of minutes for the October 10, 2006, meeting and was approved unanimously.

4. Chairman's Report

None to report.

5. Presentation Items

A. COC Website Enhancements

Community Relations Associate Sarah Swensson gave a walk-through of changes to the COC website that had been incorporated since the October meeting. David Sundstrom indicated he would like to see the Quarterly Reports posted on the website, and that the "COC Application" heading should be changed to "How to Become a Member." Ed Wylie indicated he would like to see the district map posted on the site as well.

B. Investment Program Overview

OCTA Treasurer Kirk Avila presented the COC with handouts and an overview of OCTA's Investment and Debt Program, and Annual Investment Policy. OCTA's investment portfolio is very conservative in respect to the investment policy and California Government Code in the way funds are managed. Regarding the Measure M debt, OCTA's credit rating recently moved from AA rating to AAA rating, making OCTA one of the highest rated transportation agencies in the nation. David Sundstrom inquired about arbitrage, and Kirk responded that OCTA does arbitrage reporting about every five years. James Kelly asked how interest paid vs. interest earned was correlated. Kirk explained that overall, OCTA is making more on interest earned than interest paid for debt. Gene Rodriguez asked about turnback funds. Kirk replied that funds come into OCTA from the State of California, and turnback funds are dispersed to cities every two months beginning in January.

C. Renewed Measure M Update

Monte Ward, Director of Special Projects, summarized election results and provided handouts for the COC. Renewal of Measure M passed with a 69.7 percent vote. Total voter turnout was 55 percent of registered voters in Orange County. Only Propositions 1A and 83 received more votes than Measure M. Statewide, 10 measures were on the ballot, but only five measures passed, Measure M being one of them. The last time a countywide transportation measure received a two-thirds vote in Orange County was in 1912.

Monte then apprised the COC of the next steps in the Measure M renewal process. Revenue and project costs will be updated, financing capacity will be estimated, OCTA's Board of Directors will adopt a Five-Year Strategic Plan, and M1 and M2 priorities will be aligned. David Sundstrom inquired about delays and fines in connection with the 22 Freeway project and asked that periodic updates regarding this issue be brought back to the committee in the future on a continual basis.

D. Annual Hearing Planning

Community Relations Officer Alice Rogan presented the COC with an outline of the Annual Public Hearing which will take place on February 13, 2007. The objective of the hearing is to give an overview of the COC and listen to public comments. Traditionally, the Co-Chairman of the COC gives the welcome and overview at this hearing.

6. Receive and File Items

A. Measure M Quarterly Review and Expenditure Report

Ken Phipps informed the committee that the Measure M Quarterly Review and Expenditure Report for September 2006 that had been included in the agenda packet contained an error that had since been detected and corrected.

7. Growth Management Subcommittee Report

Nothing to report.

8. Audit Subcommittee Report

David Sundstrom conveyed to the COC that the Comprehensive Annual Financial Report had been discussed but not presented at the Audit Subcommittee meeting. A full report and presentation of the Comprehensive Annual Financial Report will be provided to the Audit Subcommittee by Macias, Gini & O'Connell at a special meeting in January. Also, the Authority will not be exercising the final option year of the Annual Financial Audit contract; request for proposals will be solicited for these services for the next fiscal year. Brooks Corbin will serve on the selection committee of request for proposals.

9. Committee Member Report

None to report.

10. OCTA Staff Update

11. Public Comments

None to report.

12. Adjournment

The meeting adjourned at 7:41 pm.